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LEGISLATIVE SUPPLEMENT

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PART-III

GOVERNMENT OF PUNJAB

DEPARTMENT OF EXCISE AND TAXATION

NOTIFICATION

The 30th September, 2025

No.S.O.305/P.A.46/1948/S.11/P.A.8/2005/S.29A/C.A.74/1956/S.9/P.A.8/2002/S.25/P.A.16/1955/S.3/P.A.8/1954/S.8/P.A.5/2017/S.174/2025.-Whereas,the State Government on being satisfied that it is necessary, so to do in public interest and in order to ensure compliance and transparency, to notify a Scheme for settlement of unpaid tax liabilities.

Now, therefore, in exercise of the powers conferred by section 11 of the Punjab General Sales Tax Act, 1948 (Punjab Act No. 46 of 1948), section 29-A of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005), sub-section (2) of section 9 of the Central Sales Tax Act, 1956 (Central Act No. 74 of 1956), sub-section (3) of section 25 of the Punjab Infrastructure (Development and Regulation) Act, 2002, (Punjab Act No. 8 of 2002), section 3 of the Punjab Entertainment Duty Act, 1955 (Punjab Act No. 16 of 1955) and section 8 of the Punjab Entertainments Tax (Cinematograph Shows) Act, 1954 (Punjab Act No. 8 of 1954), read with section 174 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No. 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to notify the following Scheme for recovery of outstanding dues, namely:-

SCHEME

1. **Short title, extent, commencement and applicability**.- (1) This Scheme may be called the Punjab One Time Settlement Scheme for Recovery of Outstanding Dues, 2025.

(2) It shall extend to the whole of the State of Punjab.

(3) It shall come into force on and with effect from the 1st day of October, 2025.

(4) (i) It shall only be applicable to the cases,-

(a) under the relevant Act(s) where the assessment or rectification or revision or amendment of assessment has been made till the 30th day of September, 2025; and

(b) where penalty order under section 14-B of the Punjab General Sales Tax Act, 1948 (Punjab Act No. 46 of 1948) or section 51 of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005) has been passed till the 30th day of September, 2025.

(ii) It shall not be applicable to the cases of Government Food Grain Agencies, such as Food Corporation of India (FCI), Punjab State Co-op Supply and Marketing Federation Limited (Markfed), Punjab State Civil Supplies Corporation Limited (PUNSUP), Punjab State Warehousing Corporation (PSWC),

Punjab Agro Industries Corporation Limited (Punjab Agro), and Punjab State Grains Procurement Corporation Limited (PUNGRAIN).

(iii) No application for settlement of outstanding dues under this Scheme for cases mentioned at (i) above shall be entertained after the 31st day of December, 2025.

2. **Definitions.-** (1) In this Scheme, unless the context otherwise requires,-

(a) "applicant" means a person who is liable to pay outstanding dues under the relevant Act(s) and has opted for settlement under this Scheme;

(b) "total additional demand" means the demand created on the basis of the assessment or rectification or revision or amendment of assessment order including interest and penalty;

(c) "determined amount" means the amount payable by the applicant as a result of settlement under the Scheme, after availing waiver, as specified in the Schedule;

(d) "net demand" means reduced demand after submission of statutory declaration forms as applicable in the Central Sales Tax Act, 1956 (Central Act No. 74 of 1956);

(e) "order of settlement" means an order issued under this Scheme for settlement of outstanding dues under the relevant Act(s);

(f) "relevant Act(s)" means the following Acts, namely: -

(i) the Punjab General Sales Tax Act, 1948;

(ii) the Central Sales Tax Act, 1956;

(iii) the Punjab Infrastructure (Development and Regulation) Act, 2002;

(iv) the Punjab Value Added Tax Act, 2005;

(v) the Punjab Entertainment Duty Act, 1955, and

(vi) the Punjab Entertainments Tax (Cinematograph Shows) Act, 1954; and

(g) "demand" means-

(i) tax or duty assessed as per the order, other than interest and penalty; and

(ii) penalty and tax (if any) imposed under section 14-B of the Punjab General Sales Tax Act, 1948 or under section 51 of the Punjab VAT Act, 2005.

Explanation.-

(i) For the purposes of this Scheme, an order shall include any assessment, rectification, revisional and/or amendment order.

(ii) For the purposes of availing this Scheme, the slab in which an applicant may opt for the Scheme—as specified in the Schedule appended to this Scheme shall be determined based on the demand as defined in clause 2(1)(g).

(2) The words and expressions used in the Scheme, but not defined, shall have the same meaning as assigned to them under the relevant Act(s).

3. **Settlement of outstanding dues.-** (1) Any person (except Government Food Grain Agencies) whose assessment or rectification or revision or amendment of assessment has been made under the relevant Act(s) up to the 30th day of September, 2025 shall be eligible to apply and avail the settlement under this Scheme, subject to the terms and conditions specified in this Scheme.

(2) Any person against whom a penalty order is passed under section 14-B of the Punjab General Sales Tax Act, 1948 or under section 51 of the Punjab Value Added Tax Act, 2005 shall be eligible to apply and avail the settlement under this Scheme, subject to the terms and conditions specified in this Scheme.

(3) The applicant shall be required to make an application in FORM OTS-1 along with additional original statutory forms, if any, to the concerned Assistant Commissioner of State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/Excise and Taxation Officer (hereinafter referred to as "the officer"). The application shall be accompanied with the proof of full payment of the self-assessed determined amount under the relevant Act(s).

(4) On receipt of application, an acknowledgment in FORM OTS-2 shall be issued by the concerned officer.

(5) On examination of the application,-

(a) if there is any deficiency in the application, the concerned officer shall serve a deficiency memo in FORM OTS-3 on the applicant with the directions to remove the deficiencies within fifteen working days from the date of service of deficiency memo. Where the applicant fails to submit a reply to the said deficiency memo within fifteen working days, his application shall be deemed to have been rejected;

(b) where the concerned officer is satisfied with the self-assessed determined amount along with proof of payment of the amount thereof and other particulars

mentioned in the application or the applicant removes the deficiencies pointed out in deficiency memo in FORM OTS-3 within the specified time period to the satisfaction of the concerned officer, an order of settlement in FORM OTS-4 under the relevant Act(s) shall be passed by such officer and the same shall be communicated to the applicant; and

(c) where the concerned officer is not satisfied with the self-assessed determined amount along with proof of payment of the amount thereof and other particulars mentioned in the application, or the applicant has not removed the deficiencies pointed out in deficiency memo in FORM OTS-3 within the specified period to the satisfaction of the concerned officer, an order of rejection of application in FORM OTS-5 under the relevant Act(s) shall be passed by such officer and the same shall be communicated to the applicant.

(6) Where the application is rejected, the self-assessed determined amount paid by the applicant along with FORM OTS-1 shall be adjusted against the total additional demand or net demand payable by him prior to the filing of application in FORM OTS-1. The balance of the total additional demand after adjustment shall be recoverable as per the provisions of the relevant Act(s).

4. **Terms and Conditions.-** (1) Any person, whether or not in appeal before any of the Appellate Authorities i.e. the Deputy Excise and Taxation Commissioner (Appeals) or the Punjab Value Added Tax Tribunal or the Hon'ble Punjab and Haryana High Court or the Hon'ble Supreme Court or any other court(s), shall be eligible to apply and avail settlement under this Scheme:-

Provided that the applicant who is in appeal, shall submit a declaration along with Indemnity Bond that once the dues are settled under this Scheme, the said applicant shall withdraw such an appeal within a period of one month from the date of communication of order of settlement and shall submit the proof thereof to the concerned officer.

Explanation.- The term 'appeal' also includes any legal proceedings related to the order or the penalty order passed under the relevant Act(s) that is pending before the Hon'ble Supreme Court or the Hon'ble Punjab and Haryana High court or any other Court(s).

(2) Where the applicant does not comply with the aforesaid condition of withdrawal of appeal, the order of settlement shall be null and *void ab-initio* and the amount deposited along with the application in FORM OTS-1 shall be adjusted against the total additional demand payable by him prior to the filing of application in FORM OTS-1. The balance total additional

demand after adjustment shall be recoverable as per the provisions of the relevant Act(s).

(3) Where the applicant has deposited certain percentage of total additional demand as pre-requisite for the filing of an appeal or otherwise under the relevant Act(s), the amount so deposited shall be adjusted towards the payment of determined amount.

(4) Where any amount already deposited is in excess of the determined amount, the same shall not be refunded to the applicant.

(5) The FORM OTS-1 shall be filed separately for each order under the relevant Act(s) and accordingly an order of settlement shall be issued separately for each order or penalty orderunder the relevant Act(s).

(6) No appeal against an order of settlement shall lie before any of the Appellate Authorities i.e. the Deputy Excise and Taxation Commissioner (Appeals) or the Punjab Value Added Tax Tribunal or the Hon'ble Punjab and Haryana High Court or the Hon'ble Supreme Court or any other Court(s).

(7) Where any amount shown as paid in the order or with the application in FORM OTS-1 is later found to be actually unpaid, then the settlement order to the extent of amount found unpaid shall stand cancelled and the said amount shall be recoverable as per the provisions of the relevant Act(s), notwithstanding the said settlement order.

(8) Where the applicant fails to comply with any of the terms and conditions of the Scheme, the settlement order so issued shall stand cancelled and any amount deposited by the applicant shall not be refunded but shall be adjusted against the total additional demand payable prior to the filing of application in FORM OTS-1. The balance amount after such adjustment shall be recoverable as per the provisions of the relevant Act(s).

(9) Any amount paid or deposited by the applicant in relation to any order under any of the relevant Act(s) before the implementation of this Scheme shall not be refunded.

(10) The cases settled under this Scheme can be revoked only in case where the settlement is done by suppression of facts or by providing false information. The order of settlement shall be null and *void ab-initio* and the amount deposited along with the application in FORM OTS-1 shall be adjusted against the total additional demand payable by him prior to the filing of application in FORM OTS-1. The balance total additional demand after adjustment shall be recoverable as per the provisions of the relevant Act(s).

(11) No additional statutory declaration forms shall be accepted after the submission of the application in FORM OTS-1.

5. **Power to remove difficulties.-** If any difficulty arises in giving effect to any provision of the Scheme, the Commissioner, may, by a general or a special order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Scheme, as may be necessary or expedient for the purpose of removing the said difficulty.

FORM –OTS-1

[See clause 3(3)]

APPLICATION FORM FOR SETTLEMENT OF OUTSTANDING DUES UNDER THE PUNJAB ONE TIME SETTLEMENT SCHEME FOR RECOVERY OF OUTSTANDING DUES, 2025'.

To

The Assistant Commissioner State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/ Excise and Taxation Officer,

_____

Madam/Sir,

I,_____ son/husband/daughter/wife of _____ resident of _____ Proprietor/Partner/Managing Director/Karta/Chairman or duly authorized person of M/s _____(TIN)_____ hereby submit as follows: -

PART-A

It is applicable to the Acts namely;

(i) The Punjab General Sales Tax Act, 1948.

(ii) The Punjab Infrastructure (Development and Regulation) Act 2002; and

(iii) The Punjab Value Added Tax Act, 2005.

(iv) The Punjab Entertainment Duty Act,1955,

(v) The Punjab Entertainments Tax Cinematography Shows Act,1954

Name of the Act under which application Submitted.....

(Note: - Please submit separate OTS-1 (Part-A) for separate Act, if applying under multiple relevant Act(s))

Order against which application submitted .....

(Note: - Attach original order against which OTS availed)

Status of appeal, if any: -

Appellate authority/Court	Date of filing of appeal	Whether prior payment deposited	If deposited amount	Date of deposit (Attach proof of payment)	Last date of hearing	Remarks

The self-assessment of determined amount: -

Description	Tax / Duty	Interest	Penalty	Total
A. Total Additional Demand as per order				
B. Less amount of waiver as per the specified slab				
C. Determined Amount (A-B)				
D. Less: Amount of prior deposit				
E. Amount payable (C-D)				

Payment Details: -

Treasury receipt number	
Treasury receipt date	
Amount Deposited	

PART-B

It is applicable to the Act Namely;

(i) The Central Sale Tax Act, 1956

Assessment year for which application submitted _____

(Note:- Attach original assessment order against which OTS availed)

Status of appeal, if any :-

Appellate authority/Court	Date of filing of appeal	Whether prior payment deposited	If deposited amount	Date of deposit (Attach proof of payment)	Last date of hearing	Remarks

Details of original statutory Forms submitted with this form:

TABLE -1

Sr. No.	Type of Statutory Form	Number of Forms	Value of Form (In Rs)
1.	C		
2.	F		
3.	H		
4.	E1/E2		
5.	I		
6.	J		
	Gross Total		

Table -2

Description	Tax	Interest	Penalty	Total
A. Total Additional Demand asper order				
B. Less additional demandreduced on account of submission of Statutory declaration forms as detailed above in Table.1				
C. Net Demand (A-B)				
D. Less: Amount of waiver as per the specified slab				
E. Determined Amount (C-D)				
F. Less amount of prior deposit				
G. Amount payable (E-F)				

Payment Details: -

Treasury receipt number	
Treasury receipt date	
Amount Deposited	

PART-C

It is applicable to the penalty orders pertaining to Section 14(B)/ Section 51 of the Relevant Actsnamely;

(i) The Punjab General Sales Tax Act, 1948
(ii) The Punjab VAT Act, 2005
(iii) The Central Sales Tax Act, 1956

Order against which application submitted _____

(Note: - Attach original order against which OTS availed)

Status of appeal, if any: -

Appellate authority/Court	Date of filing of appeal	Whether prior payment deposited	If deposited amount	Date of deposit (Attach proof of payment)	Last date of hearing	Remarks

Description	Tax	Penalty	Total
A. Demand [Penalty + Tax (if any)]			
B. Less amount of waiver as perthe specified slab			
C. Determined Amount (A-B)			
D. Less: Amount of prior deposit			
E. Amount payable (C-D)			

Payment Details: -

Treasury receipt number (Please attach copy of each treasury receipt)	
Treasury receipt date	
Amount Deposited	

Declaration:

I hereby undertake to withdraw appeal filed by me under the relevant Act(s), if any, with in a period of One Monthfrom the date of communication of the order of settlement and shall submit the proof thereof to the State Tax Officer/Excise and Taxation Officer/Assistant Commissioner of State Tax/ Assistant Excise and Taxation Commissioner.

I hereby undertake that I shall not file any appeal against the settlement order before any of the Appellate Authorities i.e. Deputy Excise and Taxation Commissioner (Appeals) or Punjab VAT Tribunal or Hon'ble Punjab and Haryana High Court or Hon'ble Supreme Courtor any other Court(s).

I hereby declare that the above-mentioned information submitted by me is true and correct and self-assessment of determined amount has been correctly made as per provisions of the relevant Act(s).

I shall be liable to pay tax along with interest and penalty, as applicable, under the relevant Act(s) in case any discrepancies are detected at any stage.

I have not been pressurized by any official/person to opt this scheme. I am opting this scheme with my sweet will, without any undue influence.

(Signature)

Date.....

Name .....

M/S:.....

TIN:.....

FORM OTS-2

[See clause 3(4)]

ACKNOWLEDGEMENT OF APPLICATION IN FORM OTS-1

To

Name and address of the Taxable person

.....

TIN : .....

Acknowledgement No. ..... **Dated .....**

Subject: **Acknowledgement of application in FORM OTS-1**

Whereas, you have opted for the Punjab One Time Settlement Scheme for Recovery of Outstanding Dues, 2025. Your application dated ..... For assessment year..... under the Act named for settlement of outstanding dues under the Scheme is hereby acknowledged.

Assistant Commissioner State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/ Excise and Taxation Officer,
Ward :.....
District :.....

FORM OTS-3
[SEE CLAUSE 3(5)(a)]

DEFICIENCY MEMO

To

Name and address of the Applicant
.....

TIN .....

Memo No..... **Dated .....**

Subject: **Deficiency Memo**

Reference: **Acknowledgement No. ..... dated .....**

Whereas, you have opted for the Punjab One Time Settlement Scheme for Recovery of Outstanding Dues, 2025 for the assessment year ..... under the Act named .....

Following deficiencies have been observed;

(i)

(ii)

(iii)

You are hereby directed to appear before the undersigned personally or through authorized representative on ..... at ..... am/pm in the Office of ..... and remove the aforesaid deficiencies within fifteen working days from the date of service of deficiency memo. In case of failure to do so, your application will be deemed to be rejected without any further reference to you.

Assistant Commissioner State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/ Excise and Taxation Officer,
Ward :.....
District :.....

FORM OTS-4
[SEE CLAUSE 3(5)(b)]

ORDER OF SETTLEMENT

To

Name and address of the Taxable person
.....
TIN .....

Memo No..... **Dated .....**

Subject: **An Order of Settlement.**

Reference: **Acknowledgement No. .....dated .....**

Whereas, you have opted for the Punjab One Time Settlement Scheme for Recovery of Outstanding Dues, 2025 in FORM OTS-1 for the assessment year ..... under the Act named ..... and on examination, your application has been found to be in order.

Accordingly, the order of settlements is, hereby, passed as follows:

PART – A (For Assessment)

Name of Act .....

Particulars	Amount (Rs.)
A. Total Additional Demand	
B. Less amount of waiver as per thespecified slab	
C. Determined Amount (A-B)	
D. Less: Amount of prior deposit	
E. Less: Amount paid with OTS-1	
F. Less: Amount paid after deficiency memo	
G. Balance (C-D-E-F)	

PART – B (For Assessment under CST)

Name of Act .....

Description	Amount
A. Total Additional Demand asper order	
B. Less additional demandreduced on account of submission of Statutory declaration forms as detailed above in Table.1	
C. Net Demand (A-B)	
D. Less: Amount of waiver as per the specified slab	
E. Determined Amount (C-D)	
F. Less: Amount of prior deposit	
G. Less: Amount paid with OTS-1	
H. Less: Amount paid after deficiency memo	
I. Balance (E-F-G-H)	

PART-C

(For Section 14(B) for PGST Act, 1948 orSection 51 of Punjab VAT Act, 2005)

Name of Act .....

Particulars	Amount (Rs.)
A. Demand (Penalty + Tax)	
B. Less amount of waiver as per the specified slab	
C. Determined Amount (A-B)	
D. Less: Amount of prior deposit	
E. Less: Amount paid with OTS-1	
F. Less: Amount paid after deficiency memo	
G. Balance (C-D-E-F)	

Assistant Commissioner State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/ Excise and Taxation Officer,
Ward :.....
District :.....

FORM OTS-5
[SEE CLAUSE 3(5)(c)]

ORDER OF REJECTION

To

Name and address of the Taxable person
.....
TIN .....

Memo No..... **Dated .....**

Subject: **Order of Rejection**

Reference: **Acknowledgement No. ..... dated .....**

Whereas, you have opted for the Punjab One Time Settlement Scheme for Recovery of Outstanding Dues, 2025 against the order dated ..... under the Act named ..... and on examination, your application has not been found in order on account of following reason :

(i)
(ii)
(iii)

Hence for the reason as stated above, your application is hereby rejected.

Assistant Commissioner State Tax/Assistant Excise and Taxation Commissioner/State Tax Officer/ Excise and Taxation Officer,
Ward :.....
District :.....

SCHEDULE

[See clause 2 (1)(c)]

A) Waiver in case of assessment/ rectification/ revision/ amendment of assessment under the Relevant Act(s)-

Slab of Demand	Waiver of Tax	Waiver of Penalty	Waiver of Interest
Up to ₹ 1 Crore	50%	100%	100%
₹1,00,00,001 to ₹ 25,00,00,000	25%	100%	100%
More than ₹25,00,00,000	10%	100%	100%

B) Waiver of Demand in cases pertaining to Section 14-B of Punjab General Sales Tax Act, 1948 or under section 51 of Punjab VAT Act, 2005-

Slab of Demand [Penalty and Tax (If any)]	Waiver of Demand
Up to ₹ 1 Crore	50%
₹1,00,00,001 to ₹ 25,00,00,000	25%
More than ₹25,00,00,000	10%

Illustration for the calculation of waiver and determined amount under the Scheme-

If the total additional demand as defined in clause 2(b) of the Scheme is Rs 29,00,00,000 including the interest amount of Rs 1,00,00,000 and penalty amount of Rs 2,00,00,000. Then what will the determined amount under the One Time Settlement Scheme.

Since the Interest and Penalty under the One Time Settlement Scheme is totally waived off, the demand assessable under the One Time Settlement Scheme will be Rs 26,00,00,000. The calculation of the determined amount is as under

Stepwise calculation:

- 0 – 1,00,00,000 → 50,00,000 (50% of Rs 1,00,00,000)
- 1,00,00,001 – 25,00,00,000 → 18,00,00,000(75% of Rs 24,00,00,000)
- More than 25,00,00,000 → 90,00,000 (90% of remaining Rs1,00,00,000)

Total Determined amount – 19,40,00,000/-

Note: -

1) **The slab in which an applicant can opt for the scheme shall be assessed according to the demand as defined in clause 2(1)(g) of the Scheme.**

2) The waiver shall be separately calculated for each of the relevant Act(s).

Sd/-
AJIT BALAJI JOSHI,
Administrative Secretary (Taxation) to
Government of Punjab,
Department of Excise and Taxation.

3516/9-2025/Pb. Govt. Press, S.A.S. Nagar.